

**RTO West Informational Draft
Scheduling Coordinator Agreement and Accompanying
Appendix
Corrected Draft February 15, 2002**

This draft represents the corrected Informational Draft Scheduling Coordinator Agreement and accompanying appendix developed by the filing utilities for inclusion in their planned March 1, 2002 filing to FERC. It is a work in progress and is subject to change. The filing utilities are releasing this draft to provide an opportunity for stakeholder review and comment. Interested stakeholders may provide comments and input on this draft at the RRG meetings scheduled for February 11 and 12 or in writing. Comments in writing should be sent via email by 8:00 a.m. (Pacific Time) on Monday, February 18 at the latest to Bud Krogh at ekrogh@serv.net and Chris Elliott at chrirtowest@earthlink.net.

February 13, 2002

RTO WEST

**SCHEDULING COORDINATOR
AGREEMENT
Attachment _-1**

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SCHEDULING COORDINATOR AGREEMENT This Agreement is made this ____ day of _____, ____ and is entered into, by and between:

(1) [Full legal name] having a registered or principal executive office at [address] (the Scheduling Coordinator”)

and

(2) RTO West, a Washington nonprofit corporation, having a principal executive office located at such place as the RTO West Board may from time to time designate (“RTO West”)

RTO West and the Scheduling Coordinator may hereinafter be referred to individually as “Party” and collectively as the “Parties.”

Whereas:

A. The Scheduling Coordinator has applied for certification by RTO West under the certification procedure referred to in Appendix J: Scheduling Coordinator Application and Certification to the RTO West Tariff; and

B. The Scheduling Coordinator wishes to schedule Energy and Ancillary Services on the RTO West Controlled Transmission Facilities under the terms and conditions set forth in the RTO West Tariff; and

C. The RTO West Tariff provides that any energy and Ancillary Services to be supplied through the RTO West Controlled Transmission Facilities (check appropriateness of term) may be scheduled only through a Scheduling Coordinator; and

D. The Parties are entering into this Agreement in order to establish the terms and conditions on which RTO West and the Scheduling Coordinator will discharge their respective duties and responsibilities under the RTO West Tariff.

NOW THEREFORE in consideration of the mutual covenants set forth herein, **THE PARTIES AGREE** as follows:

1. DEFINITIONS, RULES OF INTERPRETATION AND LIMITATIONS ON OBLIGATIONS

1.1. Definitions.

A. Capitalized terms used in this Agreement and not otherwise defined herein shall have the same meaning set forth in Attachment ____ to the RTO West Tariff.

B. All references to the RTO West Tariff herein shall include the RTO West Transmission Operating Agreement, Tariff, its, Protocols, and operating procedures

as amended from time to time, together with any Appendices or attachments thereto.

- C. Scheduling Agent shall mean an entity that has been delegated by a certified SC to perform some or all of the responsibilities of the Scheduling Coordinator. Notwithstanding the delegation of duties to the Scheduling Agent, the Scheduling Coordinator shall be the responsible entity to RTO West for performance under this Agreement.

1.2. Rules of Interpretation.

The following rules of interpretation and conventions shall apply to this Agreement:

- (1) if there is any inconsistency between this Agreement and the RTO West Tariff, the RTO West Tariff will prevail to the extent of the inconsistency, except as expressly provided otherwise in this Agreement;
- (2) the singular shall include the plural and vice versa;
- (3) “includes” or “including” shall mean “including without limitation”;
- (4) references to a Section or Schedule shall mean a Section or a Schedule of this Agreement, as the case may be, unless the context otherwise requires;
- (5) any reference to the RTO West Tariff shall be to the most current effective version thereof;
- (6) unless the context otherwise requires, any reference to a “person” includes any partnership; firm; company; corporation; joint venture; trust; association; organization; co-operative; Federal, state, provincial or municipal agency; Tribe or other entity;
- (7) any reference to a day is to a Calendar Day (define term) unless otherwise stated;
- (8) the captions and headings in this Agreement are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this Agreement; and
- (9) any reference herein to a particular Appendix of the RTO West Tariff, or section thereof, is intended to facilitate reference for the Parties, but is not necessarily intended to indicate that the cited Appendix, or section thereof, is the only applicable portion of the RTO West Tariff.

1.3. Limitations on Scheduling Coordinator's Obligations.

In case of differences between this agreement and the Tariff, Section 4.2 of this Agreement prevails over the RTO West Tariff.

1.4. Conditions Precedent for Co-operative SCs.

In cases of disagreement between the RTO West Tariff and this Agreement, Section 1.4 of this Agreement will prevail over the Tariff.

This Agreement shall become effective as to any cooperative SC that has loans financed by the Rural Utilities Service ("RUS") only upon approval by the RUS thereof. Should the RUS not approve this Agreement or any action set forth herein for which such approval is required, or should the RUS require material changes or modifications thereto that are unacceptable to either RTO West or the cooperative SC (in each case, an "Unacceptable Event"), this Agreement (or such actions set forth herein) shall be deemed to be void *ab initio* with respect to such cooperative SC. In the event of any Unacceptable Event, the Parties shall negotiate in good faith to modify, within ninety (90) days of receipt of the written notice of an Unacceptable Event, and obtain approval of this Agreement and any amendment to which the Unacceptable Event pertains.

2. COVENANTS OF THE SCHEDULING COORDINATOR

2.1 Scheduling Coordinator Commitments.

The Scheduling Coordinator acknowledges and agrees:

- (1) That RTO West is responsible for the reliable operation of the RTO West Controlled Transmission Facilities, consistent with the Good Utility Practice, and that RTO West may not be able fully to satisfy this responsibility if the SC fails to fully comply with its obligations under this Agreement and the RTO West Tariff;
- (2) The RTO West Tariff and Protocols governs all aspects of scheduling of energy and Ancillary Services on the RTO West Controlled Transmission Facilities including (without limitation), the financial and technical criteria for Scheduling Coordinators. That it will abide by and perform all of the applicable obligations as an SC under the RTO West Tariff and that its status as an SC shall be governed thereby, including the obligation to provide RTO West with notice concerning changes pursuant to Appendix J to the RTO West Tariff;
- (3) That it shall be responsible to RTO West for all SC payment obligations under the RTO West Tariff;

- (4) That it shall be liable for any penalties or sanctions duly assessed pursuant to the RTO West Tariff in regard to transactions for which it is acting as an SC;
- (5) That if the SC delegates some or all of its duties under this Agreement that it will delegate those duties only to a qualified entity; and
- (6) That its rights as a Scheduling Coordinator hereunder are only conferred within the area defined within the RTO West Tariff.

2.2 Scheduling Coordinator Penalty and Sanction Rights Retained.

In cases of disagreement between the RTO West Tariff and this Agreement, Section 2.2 of this Agreement will prevail over the Tariff.

Nothing in this Agreement shall be construed as waiving the rights of the SC to oppose or protest the general establishment of any penalty or sanction proposed by RTO West to the Commission (or other applicable entity) or the specific imposition by RTO West of any penalty or sanction on the SC.

3. RTO WEST RESPONSIBILITIES

In cases of disagreement between the RTO West Tariff and this Agreement, Section 3 of this Agreement will prevail over the Tariff.

RTO West shall comply with the RTO West Tariff and Good Utility Practice. Without limiting the generality of the foregoing, RTO West shall be responsible for the reliable operation of the RTO West Controlled Transmission Facilities pursuant to RTO West agreements and for making payments as required thereunder to the SC.

4. EFFECTIVE DATE AND TERMINATION

4.1. Effective Date.

This Agreement shall become effective on the last to occur of: (a) its execution by both Parties; (b) the date at which RTO West begins accepting schedules or bids from Scheduling Coordinators; or (c) the date the SC is certified by RTO West as a Scheduling Coordinator, and shall remain in full force and effect until terminated pursuant to Section 4.2 below.

4.2. Termination and Suspension.

In case of differences between this agreement and the Tariff, Section 4.2 of this Agreement prevails over the RTO West Tariff.

4.2.1. By RTO West.

In the event that the SC commits any material default under this Agreement or the RTO West Tariff, RTO West may suspend or terminate this Agreement in accordance with Appendix J by giving notice to the SC unless the SC is excused by reason of Uncontrollable Force or in accordance with section 1.3 of this agreement - Limitations on Scheduling Coordinator's Obligations. RTO West may also take a lesser action if the material breach is not, in RTO West's sole discretion, of such significance that suspension or termination is appropriate. Any notice of suspension or termination given pursuant to this Section shall include the actions required by the SC for reinstatement or reapplication. RTO West will also provide notice of suspension or termination to all of the loads and generating units listed in the SC's Scheduling Coordinator Service Filing Form via the quickest method that the contact information enables. Such communication from RTO West to the SC's listed loads and generating units will also include provision of contact information for the default Scheduling Coordinator. RTO actions involving suspension or termination must also be filed by RTO West in a timely manner with the Commission. Notwithstanding filing with the Commission, RTO West may implement the suspension or termination.

A Scheduling Coordinator receiving notice of intent to suspend or terminate their certification may invoke expedited ADR pursuant to the RTO West Tariff. (NOTE: Credit Liability Group needs to determine whether invoking expedited ADR can put off implementation of a suspension or termination and whether a 24 hour cure period would be acceptable).

4.2.1.2 Default by the Scheduling Coordinator.

- (1) Failure to make payment or transfer funds as provided in the RTO West Tariff shall constitute a material breach and shall constitute an event of default unless cured within ? hours (look at the amount of time between RTO West receipt deadline and payout deadline in the settlements timeline) of written and oral notice of the failure to the breaching Party. Provided further that if such a material breach, regardless of whether such breach is cured within the allotted time after notice of the material breach, occurs more than three (3) times within a rolling 12-month period, the fourth such breach shall constitute a default by the breaching party. In such case, RTO West may provide the SC with an opportunity to cure or may suspend or terminate the SC at its sole discretion.
- (2) For any material breach other than a failure to make payment or transfer funds, the occurrence and continuation of any of the following events shall constitute an event of default by the Scheduling Coordinator:
 - (a) A material breach, of this Agreement by the Scheduling Coordinator, including any material failure to comply with the RTO West Tariff, except as

excused under subsection (3) or (4.2.1.2) below;

- (b) Scheduling Coordinator becomes Bankrupt (need definition), except for the filing of a petition in involuntary bankruptcy, or similar involuntary proceedings, that is dismissed within 90 days thereafter.

(3) If, due to an Uncontrollable Force, a Party is in breach with respect to any obligation hereunder, such breach shall not result in a default by that Party.

4.2.1.3 Cure of Breach by Scheduling Coordinator

For any material breach other than a failure to make payment or transfer funds the breach shall not result in a default:

- a) if Scheduling Coordinator can cure a breach within fourteen (14) Business Days, evidence of cure shall be provided to RTO West's satisfaction and the breach. Once accepted by RTO West, the breach is cured.
- b) even if the breach cannot reasonably be cured within fourteen (14) Business Days (need to define term), so long as the breaching SC provides prompt written notice to RTO West including a plan with a timeline that RTO West finds acceptable and the SC begins work or other efforts to cure the breach within three (3) Business Days after delivery of the notice to the Scheduling Coordinator and prosecutes the curative work or efforts with reasonable diligence until curative work or efforts are completed. At such time that the curative work is completed, such breach shall be cured.

4.1.1.4 Cure of Breach by RTO West

For any material breach the breach shall not result in a default:

- a) if RTO West can cure a breach within fourteen (14) Business Days, evidence of cure shall be provided to Scheduling Coordinator. If needed, RTO West may provide the evidence of cure to a competent independent auditor with appropriate skills to confirm the cure of breach.
- b) Even if the breach cannot reasonably be cured within fourteen (14) Business Days (define term), so long as the RTO West provides prompt written notice to Scheduling Coordinators including a plan with a timeline and the RTO West begins work or other efforts to cure the breach within three (3) Business Days after (confirmation of the breach?) and prosecutes curative work or efforts with reasonable diligence until curative work or efforts are completed. At such time that the curative work is completed, such breach shall be cured.

4.2.2. By Scheduling Coordinator.

In the event that the SC wishes to terminate this agreement, it shall give RTO West forty-five (45) days written notice. At the end of the forty-five days, the termination will become effective, provided that the SC has satisfied all financial obligations to RTO West prior to termination. An SC that has provided collateral to RTO West may request, in writing, return of that collateral once:

- a) it has satisfied all outstanding financial obligations to RTO West and
- b) all of the loads and resources it represented have been transferred to another Scheduling Coordinator.

When RTO West receives the written request and both of the above criteria have been satisfied, RTO West will return the collateral within five (5) Business Days.

5. SETTLEMENT ACCOUNT

The SC shall maintain at all times an account with a bank or other institution capable of electronic funds transfer to which credits or debits shall be made in accordance with the billing and settlement provisions of (add Tariff reference). Such account shall be the account referred to in Attachment 1 hereof or as such account may be changed from time to time by the SC by giving RTO West at least seven (7) days notice before the new account can be used.

6. ELECTRONIC CONTRACTING

All submitted applications, schedules, bids, confirmations, changes to information on file with RTO West and other communications conducted via electronic transfer (e.g., direct computer link, FTP file transfer, bulletin board, e-mail, facsimile or any other means established by RTO West) shall have or create the same legal rights, responsibilities, obligations and other implications as set forth in the terms and conditions of the RTO West Tariff as if executed in written format. The same record keeping provisions shall apply to electronic information as to written information (Appendix J, Section 3 Duties and Responsibilities of the SC).

7. CONFIDENTIALITY

RTO West shall accord confidential treatment to the information supplied by the Scheduling Coordinator as required under the confidentiality sections of the RTO West Tariff. RTO West will provide all information to the Paying Agent needed to carry out its responsibilities on a confidential basis.

8. DISPUTE RESOLUTION

The Parties shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement in conformity with the ADR process in the RTO West Tariff.

9. REPRESENTATIONS AND CERTIFICATION

Each Party represents and certifies that the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate and/or governmental actions to the extent required by law and by the regulations or organizational documents of the Party.

10. AGREEMENT TO BE BOUND BY RTO WEST TARIFF

The RTO West Tariff, as it may be amended from time to time, is incorporated herein and made a part hereof. In the event of a conflict between the terms and conditions of the Agreement and any other terms and conditions set forth in the RTO West Tariff, the terms and conditions of the RTO West Tariff shall prevail.

11. MISCELLANEOUS

11.1. Assignments.

(1) A Party shall not assign or otherwise transfer any or all of its rights under this Agreement without the prior written consent of the other Party, which shall not be unreasonably withheld or delayed, except that a Party may assign or transfer its rights under this Agreement to an entity without the prior written consent of the other Party (if neither the assigning Party nor the assignee is then in default of any Agreement with RTO West).

- (a) Where any such assignment or transfer is to an Affiliate of the Party; or
- (b) Where any such assignment or transfer is to a successor to or transferee of the direct or indirect ownership or operation of all or part of the Party, or its facilities; or
- (c) For collateral security purposes to aid in providing financing for itself, provided that the assigning Party will require any secured party, trustee or mortgagee to notify the other Party of any such assignment. Any financing arrangement entered into by either Party pursuant to this Section will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the other Party of the data and particulars of any such exercise of assignment right(s). If requested by the Party making any such collateral assignment to a financing person (should this be a defined term?), the other Party shall execute and deliver a consent to such assignment containing customary provisions, including representations as to corporate authorization, enforceability of this

Agreement and absence of known defaults, notices of defaults and an opportunity for the financing person to cure defaults.

(2) An assigning Party shall provide written notice to the other Party within five (5) Business Days of the assignment. Any attempted assignment that violates this Section is void and ineffective. Any assignment under this Agreement shall not relieve either Party of its obligations under this Agreement, nor shall either Party's obligations be enlarged, in whole or part, by reason thereof.

11.2. Delegation

In cases of disagreement between the RTO West Tariff and this Agreement, Section 11.2 of this Agreement will prevail over the Tariff.

A Scheduling Coordinator may delegate to another party, that satisfies the operational requirements for serving as a Scheduling Coordinator as set forth in the Agreement, to perform on its behalf any or all functions of the Scheduling Coordinator. The SC shall remain responsible for satisfying all requirements set forth in the Agreement including without limitation, creditworthiness requirements. The party to which the SC has delegated any or all of its functions as a SC shall be known as the Scheduling Agent.

If the Scheduling Coordinator elects to have a Scheduling Agent represent it, the Scheduling Coordinator shall notify RTO West in section D.3 of the Scheduling Coordinator Certification Application Form.

11.3. Notices.

Within ten (10) days from execution of this Agreement, each Party shall supply the other with the information contained in Schedule 1 to this Agreement. Any notice, demand, or request in accordance with this Agreement, unless otherwise provided in this Agreement, shall be in writing and shall be deemed properly served, given, or made: (1) upon delivery if delivered in person; (2) upon receipt by certified mail, return receipt requested; (3) upon receipt of confirmation by return electronic mail, or electronic facsimile if sent by electronic mail or facsimile; or (4) upon delivery if delivered by prepaid commercial or mail courier service. Any Party may at any time, by notice to the other Parties, change the designation or address of the person specified to receive notice on its behalf in accordance with Schedule 1 of this Agreement. Any notice of a routine character in connection with service under this Agreement shall be given in such a manner as the Parties may determine from time to time, unless otherwise provided in this Agreement.

11.4. Waivers.

In cases of disagreement between the RTO West Tariff and this Agreement, Section 11.3 of this Agreement will prevail over the Tariff.

Any waiver by either Party of its rights regarding any default under this Agreement, or regarding any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right shall not constitute or be deemed a waiver of such right.

11.5. No Third Party Beneficiaries.

The Parties do not intend to create rights in, or to grant remedies to, any third person as a beneficiary of this Agreement or of any duty, covenant, obligation, or undertaking established hereunder.

11.6. Relationship of the Parties.

In cases of disagreement between the RTO West Tariff and this Agreement, Section 11.5 of this Agreement will prevail over the Tariff.

Nothing contained herein shall be construed to create an association, joint venture, trust, or partnership, or to impose a trust or partnership covenant, obligation, or liability on, or with regard to, any of the Parties. Each Party shall be individually responsible for its own covenants, obligations, and liabilities under this Agreement. No Party shall be under the control of or shall be deemed to control the other Party. No Party shall be the agent of or have the right or power to bind any other Party without its written consent, except as expressly provided for in this Agreement.

11.7. Partial Invalidity.

In the event that any of the provisions, or portions or applications thereof, of this Agreement is finally held to be unenforceable or invalid by any court of competent jurisdiction, that determination shall not affect the enforceability or validity of the remaining portions of this Agreement, and this Agreement shall continue in full force and effect as if it had been executed without the invalid provision; provided, however, if either Party determines, in its sole discretion, that there is a material change in this Agreement by reason thereof, the Parties shall promptly enter into negotiations to replace the unenforceable or invalid provision with a valid and enforceable provision. If the Parties are not able to reach an agreement as the result of such negotiations within fourteen (14) days, either Party shall have the right to terminate this Agreement on three (3) days written notice. In the event that a Scheduling Coordinator requests such negotiation, the RTO West will post notification on its RTO West Web Site in the same location that it lists all certified scheduling coordinators.

11.8. Preservation of Rights and Obligations.

In cases of disagreement between the RTO West Tariff and this Agreement, Section 11.7 of this Agreement will prevail over the Tariff.

In addition to the express remedies provided in this Agreement, the Parties reserve any other rights they may have under applicable law. Upon termination of this Agreement, all unsatisfied obligations of each Party shall be preserved until satisfied.

11.9. Governing Law and Forum.

This Agreement shall be interpreted, governed by and construed under the Laws of the State of Washington?, without regard to the principles of conflict of laws thereof, as if executed and to be performed wholly within the State of Washington??. and under the Laws of the United States, as applicable. (Tariff Group - - Will this need to be modified at all to make this document usable by a Federal Entity?).

11.10. Construction of Agreement.

Ambiguities or uncertainties in the wording of this Agreement shall not be construed for or against any Party, but shall be construed in a manner that most accurately reflects the purpose of this Agreement and the nature of the rights and obligations of the Parties with respect to the matter being construed.

11.11. Amendment.

This Agreement and the Attachments hereto may be amended from time to time by the written agreement of the Parties. Amendments that are subject to Commission approval

shall not take effect until the Commission has accepted such amendments for filing and has made them effective.

10.11 Entire Agreement.

Any Attachments attached to the Agreement are incorporated into this Agreement by reference. This Agreement represents the Parties’ final and mutual understanding with respect to its subject matter. It replaces and supersedes any prior agreements or understandings, whether written or oral. No representations, inducements, promises, or agreements, oral or otherwise, have been relied upon or made by any Party, or anyone on behalf of a Party, that are not fully expressed in this Agreement. An agreement, statement, or promise not contained in this Agreement is not valid or binding.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective authorized officials.

RTO West:

By: _____

Title: _____

Date: _____

[Scheduling Coordinator]:

By: _____

Title: _____

Date: _____

ATTACHMENT 1

Notices

Scheduling Coordinator

Name of the Primary

Representative: _____

Address: _____

City/State/Zip Code _____

Email Address: _____

Phone: _____

Fax No: _____

Name of Alternate

Representative: _____

Address: _____

City/State/Zip Code _____

Email Address: _____

Phone: _____

Fax No: _____

Settlement Account No: _____

Title: _____

Sort Code: _____

Bank: _____

RTO West

Name of the Primary

Representative: _____

Address: _____

City/State/Zip Code _____

Email Address: _____

Phone: _____

Fax No: _____

Name of Alternate

Representative: _____

Address: _____

City/State/Zip Code _____

Email Address: _____

Phone: _____

Fax No: _____

RTO WEST

**DRAFT ATTACHMENT _-2:
SCHEDULING COORDINATOR
APPLICATION AND CERTIFICATION**

February 13, 2002

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Attachment -2: Scheduling Coordinator Application and Certification

1. INTRODUCTION AND OBJECTIVE

This Attachment -2 describes the process and requirements for becoming a certified Scheduling Coordinator with RTO West, maintaining that certification, and the related duties and responsibilities of certified Scheduling Coordinators and RTO West. An Eligible Customer seeking Transmission Services on the RTO West Controlled Transmission Facilities shall be represented in RTO West ("RTO West") by a RTO West-certified Scheduling Coordinator ("SC"). Each metering point, whether for an End-Use Customer Load (check term) or a Generator shall be represented by only one SC. Financial settlements for provision of Transmission Services to Eligible Customers shall be made only between RTO West, or its Paying Agent(s), and Transmission Customers, or SCs.

2. DEFINITIONS

For the purpose of this Attachment -2, the term "Tariff" will include the RTO West Tariff Appendices, Protocols, and operating procedures.

Any word or expression defined in the (cite Definitions section of Tariff) to the RTO West Tariff shall have the same meaning where used herein unless otherwise defined below. A reference to a Section or Attachment refers to a Section or Attachment of the RTO West Tariff unless otherwise indicated.

2.1 Special Terms for this Attachment

In this Attachment, the following words and expressions have the meaning set forth below

"SC Applicant" means an entity that has submitted or is contemplating submitting an application to become an SC.

"SC Customer" means a potential or actual customer of the SC Applicant or Scheduling Coordinator for whom the SC offers services relevant to the RTO West Controlled Transmission Facilities.

"Scheduling Agent" means an entity that has been delegated by a certified SC to perform some or all of the responsibilities of the Scheduling Coordinator. Notwithstanding the delegation of duties to the Scheduling Agent, the Scheduling Coordinator shall be the responsible entity to RTO West for performance under this Agreement.

2.2 Rules of Interpretation

- a) If the provisions of the Protocol and the RTO West Tariff conflict, the RTO West Tariff will prevail to the extent of the inconsistency. The provisions of the RTO West Tariff have been summarized or repeated in this Attachment only to aid understanding.

- b) A reference to a given agreement, Appendix, Protocol, or instrument shall be to that agreement or instrument as modified, amended, supplemented or restated through the date as of which such reference is made.
- c) The captions and headings in the Attachment are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of the Attachment.

2.3 Liability of RTO West

Any liability of the RTO West arising out of or in relation to the Attachment shall be subject to Section ? of the RTO West Tariff as if references to the RTO West Tariff were references to this Attachment. (This language is a placeholder).

3. DUTIES AND RESPONSIBILITIES OF THE SC

Each SC shall fulfill all of the following duties and responsibilities:

- i) Maintain its certification in accordance with this Attachment;
- ii) Maintain records and respond to requests for information in accordance with the requirements of applicable law, and the RTO West Tariff;
- iii) Provide proof of financial capability, and maintain its financial capability, for meeting its financial responsibilities with RTO West as provided in section J.13, Financial Security Obligations and Requirements.
- iv) Supply Settlement Ready Information (check term) to RTO West in a timely manner and in the form required, in accordance with metering requirements (cite reference), and settle and satisfy its financial obligations with RTO West, in accordance with, settlement and billing requirements (cite reference);
- v) Maintain current information on file that describes:
 - a) Each of the Loads (check term) that it represents, including the nature of transactions that it seeks to make on the RTO West Controlled Transmission Facilities on behalf of each of the Loads that it represents, (and the associated meter information?) and
 - b) each of the Resources (Generating Units, Demand Resources and imports/exports) (check terms) that it represents, including the nature of transactions that it seeks to make on the RTO West Controlled Transmission Facilities on behalf of each of the Resources that it represents (see Schedule 2, "Scheduling Coordinator Service Filing Form"); and,
 - c) each Cataloged Transmission Right injection and withdrawal right the SC represents
 - d) each FTO the SC represents
- vi) Comply with the requirements of all applicable terms and conditions of the RTO West Tariff.

- d) Each SC shall fulfill one or more of the additional following duties and responsibilities as applicable, in accordance with the Tariff including:
 - i) Submit Balanced Schedules of Injections and Withdrawals (check terms)
 - ii) Operate or contract for the services of a Generation Control Center (need definition) to receive Dispatch Instructions for the generating units and/or Dispatchable Demands (check term) that it represents and to instruct them to respond in a timely manner and to comply with all applicable requirements contained the RTO West. (Do we need to add a term for entities that represent only load?)
 - iii) Make certain that the Eligible Customers (check appropriateness of term) that it represents to comply with metering requirements of the Tariff and confirm to RTO West that such compliance has been accomplished;
 - iv) Supply to RTO West Demand and Resource (check terms) forecasts for the Loads and Resources (check term) that it represents, as required by the RTO West planning procedures;
 - v) Supply to RTO West proposed Maintenance Outage requests for the Resources that it represents;
 - vi) Represent Eligible Customers and/or Ancillary Service Resources in the provision of and payment for Ancillary Services;
 - vii) Submit its portion of SC to SC trade schedules (check term) and work with the other party of the SC to SC trade when such schedules fail to match up to create a valid balanced schedule; and

4. REQUIREMENTS FOR SC CERTIFICATION

In order to be certified as a RTO West SC, each applicant shall at its own risk and expense satisfy all of the following requirements:

- a) The SC shall submit, maintain and have declared approved by RTO West its “Scheduling Coordinator Certification Application Form,” and shall maintain as current the information in this form, as attached to this Attachment as Schedule 1 and as it may be modified from time to time;
- b) The SC shall submit, maintain as current and have accepted for implementation by RTO West the information in its Schedule 2 and as it may be modified from time to time;
- c) The SC shall submit, maintain as current and have accepted for implementation by RTO West changes to information contained in its Schedule 1 through the use of the “Notice of Change to Scheduling Coordinator Information Form,” as attached to this Attachment as Schedule 3 and as it may be modified from time to time;
- d) RTO West shall develop reasonable objective standards for the fulfillment of SC duties and responsibilities. Each SC shall demonstrate to the reasonable satisfaction of RTO West that it is capable of :
 - i) fulfilling all of the duties and responsibilities of an SC as described in Section J.3.a; and

- ii) fulfilling the applicable duties and responsibilities of an SC as described in Section J.3.b ; and
- iii) performing all of the tasks and functions required by the RTO West Tariff required for the transactions that it proposes to accomplish on the RTO West Controlled Transmission Facilities;
- e) Provide to RTO West's reasonable satisfaction evidence of its financial capability as required by Section J.12 of this Attachment;
- f) Certify to RTO West that each entity that it represents is an Eligible Customer (check term), including itself if it transacts business on its own account;
- g) Certify to RTO West that each Generator that it represents which is required to have a signed a Generation Integration Agreement (Check term) with RTO West has done so or is exempt pursuant to the RTO West Tariff (need appropriate reference);
- h) Certify to RTO West that each Load that it represents which is required to have a signed Load Integration Agreement (check term) with RTO West has done so or is exempt pursuant to the RTO West Tariff (is the concept of exemption relevant to Load Integration Agreements?);
- i) Demonstrate to the satisfaction of RTO West that it can perform all of the functions required of an SC or has contractual arrangements with one or more certified SCs which shall perform the tasks and functions that are delegated to it as described in Section J.5 of this Attachment and meet the requirements of the Standards of Conduct of the Federal Energy Regulatory Commission;
- j) Demonstrate that it has installed, or shall install prior to the date of commencement of service as an SC, the hardware and software required for functional interface with RTO West; that its staff are trained on the use of the hardware and software, and demonstrate that it has executed, or shall execute prior to the date of commencement of service as an SC, the applicable software licensing agreements required for conducting business with RTO West;
- k) Demonstrate that it is capable of completing and confirming two-way fed-wire system transfers, or provide for alternative payment arrangements that are acceptable to RTO West; and
- l) Demonstrate that it has installed, or shall install prior to the date of commencement of service as an SC, the technology appropriate and necessary for communication with RTO West.

4.1 Duplicate Information

If two or more SCs apply simultaneously to register with the RTO West for a single meter (load or resource), or if an SC applies to register with the RTO West for a meter (load or resource) for which an SC has already registered, the ISO will return the application with an explanation that only one SC may register with the RTO West for the meter and that an SC has already registered for the meter (load or resource) in question or that more than one SC is attempting to register for that meter (load or resource). The RTO West will send the SC Applicant the name and address of the applicable SC or SC Applicant. (NOTE: The key issue here is on the mechanics and needs to be addressed in the metering protocol.)

5. CERTIFICATION PROCEDURE

The procedure for making application to become a RTO West-certified SC shall include the following:

- a) **SC Applicant Submits Application** - At least sixty (60) Calendar Days prior to the proposed date of commencement of service as an SC, the applicant shall make application for certification by submitting to RTO West by mail or in person a completed Schedule 1 and, using projected data, a completed Schedule 2. The application shall be accompanied by the prescribed non-refundable application fee indicated in Schedule 1 and the applicable financial information indicated in section J.13 Financial Security Obligations and Requirements unless the applicant is not seeking unsecured credit in which case RTO West can allow a lessening of the requirement to submit financial information as it, in its sole discretion, determines to be appropriate. Blank versions of these forms may be requested from RTO West in physical form, or may be retrieved electronically from the RTO West Website. RTO West will accord confidential treatment to the information supplied by the Applicant as required under the confidentiality sections of the RTO West Tariff.
- b) **Notice of Receipt of Application** - Within three (3) Business Days of receiving the application, RTO West shall notify the applicant through written or electronic notification that it has received the application and the non-refundable fee.
- c) **RTO West Application Review** - Within fourteen (14) Business Days of receiving the application, RTO West shall notify the applicant as to whether the applicant has submitted all materials required for application. If the application is complete, RTO West shall deem it a completed application. In the event the application is deficient, RTO West shall notify the applicant of the deficiency, explain the deficiency, and make a request for additional information or other remedy.
- d) **SC Applicant Remedy of Deficient Application** - Within seven (7) Business Days of receiving the RTO West notice of deficiency, or such longer period as RTO West may prescribe, the applicant shall provide information necessary to remedy the application deficiency. If the deficiency is remedied to the satisfaction of RTO West, RTO West shall deem it a complete application and so notify the applicant. In the event the applicant fails to provide all requested information as prescribed by RTO West, the application shall be rejected by RTO West and the applicant shall be notified of the rejection.
- i) **RTO West Application Approval or Rejection of Complete Applications** – Within ten (10) Business Days of declaring an application complete, RTO West shall approve or reject each complete application or shall notify the applicant of the additional time needed for decision. Upon approval, RTO West shall notify the applicant in writing of its acceptance and send a signed SC agreement for the SC Applicant's. Upon rejection of a complete application, RTO West shall notify the applicant in writing of the rejection, stating the reason(s) for rejection. Upon request, the RTO West will provide suggestions for how the SC Applicant can cure the grounds for rejection. If the SC Application is requested, the SC Applicant can seek ADR if desired. (NOTE – Need to address other agreements that have to be signed by the SC for certification once we have clarity on what those are).
- e) **Completion of Certification** - If the RTO West accepts the application, the SC Applicant must return an executed SC Agreement and, if required, the specified amount of credit security in RTO West approved form. Certification of the applicant shall be completed when all necessary agreements are received and accepted, and the SC applicant has demonstrated that it has the required technical and operational capabilities. Once the SC

Applicant has met all of these requirements, RTO West will certify them within three (3) business days.

- f) No later than fifteen (15) Business Days prior to the commencement of service, the SC shall provide a final schedule 2 to RTO West.
- g) Appeal - The applicant whose application is rejected may appeal the rejection by employing the Alternative Dispute Resolution (“ADR”) process contained in the RTO West Tariff
- h) New Application - The applicant whose application is rejected may submit a new application for certification at any time. A new application fee needs to be paid at this time.

6. SCHEDULING COORDINATOR OPERATIONS

Each SC shall designate a single point of contact, (including another SC?), that shall be responsible for operational communications with RTO West. The designated point of contact shall have authority to commit and bind the SC. Each SC shall operate and maintain a scheduling office and if applicable, a Generation Control Center for the purpose of fulfilling its operational obligations. The single point of contact shall be staffed and in operation twenty-four (24) hours per day, seven (7) days per week. For those Trading Days during which the SC has not scheduled RTO West Transmission Controlled Facilities operations, the 24 hour/day staffing requirement shall be waived. However, to the extent that the SC represents Resources not scheduled to provide Energy or Ancillary Services on a Trading Day when the scheduling office is not staffed, and RTO West needs to dispatch during a System Emergency, RTO West shall directly contact the applicable Resources.

7. BILLING AND SETTLEMENTS

Each SC shall maintain a contractual relationship with the Eligible Customers that it represents, and shall provide to RTO West Settlement Ready Data (check term) as required by the Tariff on behalf of each of the Eligible Customers (check term) that it represents. Each SC shall be responsible for payment of all charges arising from the RTO West Tariff and not otherwise described under the Paying Agent Agreement for services provided under the RTO West Tariff.

8. ON-GOING OBLIGATION TO MAINTAIN CERTIFICATION

Each RTO West-certified SC has an ongoing obligation to maintain its certification as a RTO West-certified SC by fulfilling the requirements of Sections J.3 Duties and Responsibilities of the SC and J.4 Requirements for SC Certification of this Attachment. Each SC must provide notification to RTO West of any material changes in information related to its certification for Scheduling Coordinator within three (3) Business Days of that change. (Check against SC Credit Information Requirements Timeline).

9. PUBLIC NOTICE

RTO West shall maintain on the RTO West Website a current list of RTO West-certified SCs. RTO West shall promptly post on the RTO West Website any notice of termination or suspension of services it may provide to an SC, and any notice of termination provided to RTO West by an SC.

10. CHANGES TO SC INFORMATION

Each SC has an ongoing obligation to inform RTO West of any changes to any of the information submitted by it to RTO West as part of the application process, including any changes to the additional information requested by RTO West. Changes to SC information shall be accomplished through the filing by the SC of Schedule 3 as attached to this Attachment, which shall be filed with RTO West no later than ten (10) Business Days prior to the effective date for the change in SC information.

If the change to SC information regards commencement of service that the SC is not currently providing or discontinuation of services that the SC has been providing, a modified Schedule 2 shall be submitted in addition to Schedule 3.

RTO West shall accord confidential treatment to the information supplied by the applicant as required under the confidentiality sections of the RTO West Tariff.

Filing shall be made electronically.

10.1 RTO West Efforts in Instances of SC Suspension or Termination

In circumstances where an SC is picking up representation of load or resources previously represented by a decertified SC, RTO West will make best efforts to expedite this process to avoid interruption of service and minimize costs to the load.

11. FINANCIAL SECURITY OBLIGATIONS AND REQUIREMENTS

SC Credit Requirements:

This policy establishes the credit policies of RTO West for: (1) the establishment and maintenance of credit by Scheduling Coordinators, Guarantors for Scheduling Coordinators, and applicants to act as Scheduling Coordinators or Guarantors for Scheduling Coordinators (collectively, "Credit Applicants"); and (2) alternative forms of security deemed acceptable for those Credit Applicants that do not satisfy RTO West's financial viability requirements to establish an unsupported extension of credit.

This policy also sets forth the credit limitations that will be imposed on Credit Applicants so as to avoid the possibility of failure of payment for services rendered pursuant to the RTO West Tariff.

In case of a conflict between the provisions of these credit requirements [*add specific reference when known*] and general provisions of the RTO West Tariff, the provisions of these credit requirements shall control.

A. Credit Review/Applicability

These standards apply to Credit Applicants that wish to provide (or guarantee the provision of) SC Services to one or more [Eligible Customers]. Each Credit Applicant must qualify on an individual basis. RTO West shall determine whether the Credit Applicant meets RTO West's initial creditworthiness

requirements as set forth below. RTO West shall enter into an SC Agreement after the Credit Applicant's credit has been established pursuant to this Section I, collateral has been obtained, and SC certification by RTO West is complete. RTO West shall continue to monitor regularly the Credit Applicant's creditworthiness to determine continuing compliance under the minimum credit requirements.

B. Credit Exposure

A Credit Applicant must establish and maintain creditworthiness relative to RTO West's Credit Exposure to the SC. Credit Exposure shall include, but not be limited to, the expected net liabilities described in Section I(C)4(a) herein.

C. Establishment of Credit

A Credit Applicant must establish its creditworthiness as stated in this Section.

1. Creditworthiness Requirements

Each Credit Applicant must demonstrate compliance with RTO West's creditworthiness requirements by satisfying all of the criteria in Section I(C)(1). A Credit Applicant that cannot demonstrate the requirements of Section I(C)(1) shall provide a collateral deposit as described in Section I(C)(4) to establish credit. [For any Credit Applicants that are not privately held or publicly traded businesses, RTO West will develop reasonable alternative information requirements comparable to those specified in this Section I(C)(1)]

a. Credit Evaluation

A Credit Score will be derived from the information described in this section.

A Credit Applicant for an SC seeking to enter into a new SC Agreement with RTO West must complete a credit application to provide the financial information necessary to conduct a credit evaluation and establish the Credit Applicant's initial credit profile. RTO West may require a Credit Applicant to complete a new or revised credit application under this Section if the applicable SC's SC Agreement has been terminated, was not renewed, or in any other manner was caused to lapse. The credit evaluation will be conducted by RTO West. This evaluation will be completed within a maximum of ten (10) Business Days from RTO West's receipt of a completed credit application and all relevant financial information. All information required to evaluate credit will be treated in accordance with the confidentiality provisions of the RTO West Tariff. RTO West will notify the Credit Applicant of its credit decision upon completion of RTO West's credit review. All credit evaluations and associated collateral deposit calculations performed by RTO West will be done in a non-discriminatory and consistent manner.

b. Required Credit Information

Each Credit Applicant must provide to RTO West, along with its completed credit application, the following information:

Financial Statements and Related Information

Each Credit Applicant must submit audited financial statements, and if applicable, Statements of Material Fact and Material Proxy Statements for the immediately preceding three (3) fiscal years, or the period of existence, if

shorter. Additionally, each Credit Applicant must submit current fiscal year interim unaudited financial statements, if available.

The information should include, but not be limited to, the following:

- a. If publicly traded in U.S. or other markets:
 - i. Annual reports on Form 10-K and quarterly reports on Form 10-Q or other non-U.S. equivalent when traded in non-U.S. markets
 - ii. All reports on Form 8-K, if any
- b. If not publicly traded in U.S. markets:
 - i. Management's Discussion & Analysis
 - ii. Report of Independent Accountants
 - iii. Financial Statements, including
 - Balance Sheet
 - Income Statement
 - Statement of Cash Flows
 - Statement of Stockholder's Equity
 - iv. Notes to Financial Statements

If the above information is available on the Internet, the Credit Applicant may instead provide a letter stating where the information may be located and retrieved by RTO West. In the case of certain Credit Applicants, some of the financial submittals specified above may not be applicable, in which case RTO West may specify alternate requirements.

Litigation, Commitments, and Contingencies

Each Credit Applicant must also provide information as to any known or anticipated material litigation, commitments, or contingencies, as well as any prior bankruptcy declarations or proceedings or material defaults by the Credit Applicant or its predecessors, if any.

Ongoing Financial Review

Each Credit Applicant must submit to RTO West at least annually its current rating agency report promptly upon its issuance. Each Credit Applicant must also submit its most recent financial statements, 10-Ks, 10-Qs, and 8-Ks promptly upon their issuance.

Notice of Specified Events

To assure continued validity of established unsecured credit, the Credit Applicant shall promptly notify RTO West if (i) the Credit Applicant experiences any Material Adverse Change (as defined under Section I(C)(3)(c) below); (ii) the Credit Applicant's credit rating is downgraded by any of Moody's Investor Service (Moody's), Standard and Poors

(S&P), Fitch, or Dominion Bond Rating Service (DBRS); (iii) the Credit Applicant experiences a change in control as a result of merger or other reorganization; (iv) the Credit Applicant sells or transfers a material portion of its assets; [(v) the Credit Applicant incurs net liabilities as described in Section I(E)]; (vi) the Credit Applicant is placed on a credit watch with negative implications by a major rating agency; (vii) the Credit Applicant makes or is the subject of a bankruptcy filing; (viii) the Credit Applicant takes any action or experiences any event requiring the filing of a Form 8-K; (ix) the Credit Applicant becomes insolvent; (x) the Credit Applicant reports a significant quarterly loss or decline in earnings; (xi) any of Credit Applicant's key officers resign; or (10) the Credit Applicant becomes involved in a lawsuit that could have a material adverse impact on current or future financial results

c. Rating Agency

A Credit Applicant must demonstrate a current and maintained long-term, senior unsecured debt rating [or direct issuer rating] of Baa3 or higher from Moody's or BBB- or higher from S&P or BBB [low] or higher from (DBRS). (Check this against final credit matrix)

d. Credit History

A Credit Applicant must not be currently in default under any of its agreements with RTO West and must not be in default with respect to any of its other financial obligations that total, in the aggregate, more than 5% of its Tangible Net Worth. A Credit Applicant must pay all past due amounts owed to RTO West before credit is established.

2. Unsecured Credit for Private or Publicly Traded Entities

Availability of unsecured credit for any private or publicly traded Credit Applicant** will be a function of the Credit Applicant's Tangible Net Worth [RTO West's credit department will need to define this term and new language will be added for public agencies by the small group agreeing to work on it] and its credit rating (long-term senior unsecured debt rating). If a publicly-owned utility or governmental agency is rated and has a Tangible Net Worth it will also be eligible to have its credit assessed in the same manner.

The amount of unsecured credit available to any such Credit Applicant will be determined by multiplying a Credit Applicant's Credit Score, as described in Section (I)(C)(1)(b), above, by the value specified in the matrix below as the maximum amount of unsecured credit available.

BOND RATING (Moody's, S&P, or DBRS equivalent)					
TANGIBLE NET WORTH	BB/Ba2 or below	BB+/Ba1 or below	BBB- Baa3	BBB Baa2	BBB+ Baa1

\$1,000,000,000 and above	\$0	\$7,500,000	\$15,000,000	\$25,000,000	\$35,000,000
\$500,000,000 to \$999,999,999	\$0	\$6,250,000	\$12,500,000	\$17,500,000	\$24,500,000
\$250,000,000 to \$499,999,999	\$0	\$5,250,000	\$10,500,000	\$12,500,000	\$17,500,000
\$100,000,000 to \$249,999,999	\$0	\$2,000,000	\$3,750,000	\$6,250,000	\$8,750,000
\$50,000,000 to \$99,999,999	\$0	\$750,000	\$1,500,000	\$2,500,000	\$3,500,000
\$10,000,000 to \$49,999,999	\$0	\$500,000	\$750,000	\$1,250,000	\$1,750,000
\$5,000,000 to \$9,999,999	\$0	\$75,000	\$150,000	\$250,000	\$350,000
\$4,999,999 and below	\$0	\$0	\$0	\$0	\$0

BOND RATING (Moody's, S&P, or DBRS equivalents)					
TANGIBLE NET WORTH	A- A3	A A2	A+ A1	AA	AAA
\$1,000,000,000 and above	\$40,000,000	\$45,000,000	\$50,000,000	\$75,000,000	\$100,000,000
\$500,000,000 to \$999,999,999	\$28,000,000	\$31,500,000	\$35,000,000	\$52,500,000	\$70,000,000
\$250,000,000 to \$499,999,999	\$20,000,000	\$22,500,000	\$25,000,000	\$37,500,000	\$50,000,000
\$100,000,000 to \$249,999,999	\$10,000,000	\$11,250,000	\$12,500,000	\$18,750,000	\$25,000,000
\$50,000,000 to \$99,999,999	\$4,000,000	\$4,500,000	\$5,000,000	\$7,500,000	\$10,000,000
\$10,000,000 to \$49,999,999	\$2,000,000	\$2,250,000	\$2,500,000	\$3,750,000	\$5,000,000
\$5,000,000 to \$9,999,999	\$400,000	\$450,000	\$500,000	\$750,000	\$1,000,000
\$4,999,999 and below	\$0	\$0	\$0	\$0	\$0

Notes About Credit Table:

1. This credit matrix can be used to tell an applicant the absolute maximum unsecured credit limit it can receive.
2. The x-axis of the matrix represents the applicant's bond rating, the y-axis represents the applicant's tangible net worth.
3. The bond rating will be the senior unsecured rating from Standard & Poor's, Moody's Investor Services, or Dominion Bond Rating Services. If there is a split rating, the lowest rating will be used.
4. No unsecured credit limit will be given to an applicant with less than \$5 million tangible net worth.
5. No unsecured credit limit will be given to an applicant with a bond rating of BB/Ba2 or equivalent, or a rating of BB+/Ba1 combined with a negative Credit Watch.
6. Generally speaking, the A+ matrix value will be 5% of the top of the net worth range, AA will be 7.5%, and AAA will be 10%.
7. The credit score is derived from a model made up of qualitative (number of years in business, etc.) and quantitative (various relevant financial ratios) factors to be determined by the RTO West Credit Department.

8. The credit score (expressed as a percentage) times the matrix value equals the actual credit limit, e.g. a credit score of 62 would create an unsecured credit limit of 62% of the matrix value.

Additional Notes:

- Further work is needed to develop a process for assessing the credit eligibility of entities (such as governmental entities) that do not fit within the parameters assumed for the credit determination matrix above.
- In particular, further work should take into consideration the situation for entities that have both an obligation to serve and the ability to raise rates quickly (such as municipalities) and that may also be debt-free.

Unsecured Credit for Public Entities

RTO WEST CREDIT MATRIX

Tariff or Retail Revenue \$'000,000	General Obligation or Revenue Bond Rating												
	Mid Point Tariff Revenue (\$'000,000)	BB/Ba2 or below	BB+/Ba1 or below	BBB- Baa3	BBB Baa2	BBB+ Baa1	A- A3	A A2	A+	AA- Aa3	AA Aa2	AA+ Aa1	AAA- Aaa3
\$3,000.00 and above	\$3,500.00	\$0	\$8.75m	\$17.5m	\$26.25m	\$35m	\$70m	\$87.5m	\$105m	\$122.5m	\$140m	\$175m	\$210r
\$2,500.00 to \$2999.99	\$2,750.00	\$0	\$7m	\$13.75m	\$20.625m	\$27.5m	\$55m	\$68.75m	\$82.5m	\$96.25m	\$110m	\$137.5m	\$165r
\$2,000.00 to \$2499.99	\$2,250.00	\$0	\$5.75m	\$11.25m	\$16.875m	\$22.5m	\$45m	\$56.25m	\$67.5m	\$78.75m	\$90m	\$112.5m	\$135r
\$1,500.00 to \$1999.99	\$1,750.00	\$0	\$4.5m	\$8.75m	\$13.125m	\$17.5m	\$35m	\$43.75m	\$52.5m	\$61.25m	\$70m	\$87.5m	\$105r
\$1,000.00 to \$1499.99	\$1,250.00	\$0	\$3.25m	\$6.25m	\$9.375m	\$12.5m	\$25m	\$31.25m	\$37.5m	\$43.75m	\$50m	\$62.5m	\$75r
\$800.00 to \$999.99	\$900.00	\$0	\$2.25	\$4.5m	\$6.75m	\$9m	\$18m	\$22.5m	\$27m	\$31.5m	\$36m	\$45m	\$54r
\$600.00 to \$799.99	\$700.00	\$0	\$1.75m	\$3.5m	\$5.25m	\$7m	\$14m	\$17.5m	\$21m	\$24.5m	\$28m	\$35m	\$42r
\$500.00 to \$599.99	\$550.00	\$0	\$1.5m	\$2.75m	\$4.125m	\$5.5m	\$11m	\$13.75m	\$16.5m	\$19.25m	\$22m	\$27.5m	\$33r
\$400.00 to \$499.99	\$450.00	\$0	\$1.25	\$2.25m	\$3.375m	\$4.5m	\$9m	\$11.25m	\$13.5m	\$15.75m	\$18m	\$22.5m	\$27r
\$300.00 to \$399.99	\$350.00	\$0	\$1m	\$1.75m	\$2.625m	\$3.5m	\$7m	\$8.75m	\$10.5m	\$12.25m	\$14m	\$17.5m	\$21r
\$200.00 to \$299.99	\$250.00	\$0	\$750k	\$1.250m	\$1.875m	\$2.5m	\$5m	\$6.25m	\$7.5m	\$8.75m	\$10m	\$12.5m	\$15r
\$125.00 to \$199.99	\$150.00	\$0	\$500k	\$750k	\$1.125m	\$1.5m	\$3m	\$3.75m	\$4.5m	\$5.25m	\$6m	\$7.5m	\$9r
\$75.00 to \$124.99	\$100.00	\$0	\$250k	\$500k	\$750k	\$1m	\$2m	\$2.5m	\$3m	\$3.5m	\$4m	\$5m	\$6r
\$25.00 to \$74.99	\$50.00	\$0	\$125k	\$250k	\$375k	\$500k	\$1m	\$1.25m	\$1.5m	\$1.75m	\$2m	\$2.5m	\$3r
\$15.00 to \$24.99	\$20.00	\$0	\$50k	\$100k	\$150k	\$200k	\$400k	\$500k	\$600k	\$700k	\$800k	\$1m	\$1.2r
\$5.00 to \$14.99	\$10.00	\$0	\$25k	\$50k	\$75k	\$100k	\$200k	\$250k	\$300k	\$350k	\$400k	\$500k	\$600
\$4.99 and below		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$

Assumptions:

1. This credit matrix will be used solely for Municipals, Government Agencies and any other non-profit public power entities who have monopoly status within their load-serving area.
2. This credit matrix can be used to tell an applicant the absolute maximum unsecured credit limit it can receive.
3. The x-axis of the matrix represents the General Obligation or Revenue Bond Rating, the y-axis represents the applicant's Gross Tariff Revenues (trading or non tariff derived revenue shall be excluded)
4. The bond rating will be the General Obligation or Revenue Bond Rating from Standard & Poor's, Moody's Investor Services, or Dominion Bond Rating Services. If there is a split rating, the lowest rating will be used.
5. No unsecured credit limit will be given to an applicant with less than \$5 million in Gross Tariff Revenues.
6. No unsecured credit limit will be given to an applicant with a bond rating of BB/Ba2 or equivalent, or a rating of BB+/Ba1 combined with a negative Credit Watch.
7. Generally speaking, the A+ matrix value will be 3% of the top of the tariff revenue, AA will be 4%, and AAA will be 6%.
8. The credit score is derived from a model made up of qualitative and quantitative factors to be determined by the RTO West Credit Department.

9. The credit score (expressed as a percentage) times the matrix value equals the actual credit limit, e.g. a credit score of 62 would create an unsecured credit limit of 62% of the matrix value.

Assumption: Coops/some Munis? don't have tariff revenue. No coops will have bond ratings; most munis will have no bond rating or will have no current bond rating.

3. Ineligibility for Unsecured Credit

The Credit Applicant will be ineligible for unsecured credit under any of the following conditions:

a. the Credit Applicant does not meet the minimum creditworthiness standards established in Section I(C)(1) above;

b. the Credit Applicant fails to provide RTO West sufficient relevant credit and financial information on an ongoing basis as required in Sections I(C)(1) and (C)(5) and the SC Agreement;

c. the Credit Applicant experiences a Material Adverse Change. For purposes of the SC Credit Requirements, "Material Adverse Change" is defined as the occurrence of any of the following events: (1) the SC's long-term senior, unsecured debt rating is downgraded by more than one notch, with a resulting credit rating of BBB+ (if S&P) or Baa1 (if Moody's) or BBB [high] (if DBRS) or lower within a period of 60 Business Days; however, if the Credit Applicant's debt rating is not further downgraded for 90 Business Days or more, the Credit Applicant will become eligible again for unsecured credit; or (2) the SC's long-term senior, unsecured debt rating is downgraded to any rating below BBB- (if S&P) and Baa3 (if Moody's) and BBB[low] (if DBRS); or (3) a failure to meet material financial or performance obligations; or (4) a change in condition (financial or otherwise), net worth, assets, net liabilities, or properties that can reasonably be anticipated to impair the Credit Applicant's ability to fulfill its payment and credit obligations.

4. Collateral Deposits

If collateral is required under Section I(C)(3), the Credit Applicant shall submit and maintain a collateral deposit as described in this Section.

a. Calculation of Credit Exposure

NOTE to Credit Liability Group: Need to ensure that an SC for generation or for wheel outs who could create charges for their failure to perform – example – Who is responsible in SC to SC trade circumstances.

The amount of the credit exposure on which collateral requirements will be based will be the sum of the following amounts as applicable:

- (i) The product of the Potential Short Position multiplied by the greater of (a) RTO West's estimate of the average

balancing energy prices expected during the exposure period, or (b) the average balancing energy prices for the prior [sixty (60) days];

The estimated maximum Potential Short Position. This Potential Short Position is equal to proposed change: the total amount of energy expected to be scheduled by the SC during the forthcoming exposure period, less purchase commitments or committed generation resources applicable during the forthcoming period. The SC must provide sufficient documentation of its purchase commitments and generation resources so that RTO West can confirm their viability. The exposure period is equal to: (a) the lag time between the time of net energy consumption and the time of settlement with RTO West, plus (b) five (5) Business Days¹. To the extent RTO West determines that its calculations for Potential Short Position do not reflect actual net energy consumption during an exposure period, RTO West may adjust the calculation of Credit Exposure [or may bill parties on an estimated basis for net payment obligations incurred during the interim period].

- (ii) all other charges due to RTO West from an SC as estimated over the settlement notice and termination period for those charges, plus five (5) Business Days; and
- (iii) all RTO West invoiced and non-invoiced receivables due from the SC other than those described above.

In all cases where a collateral deposit is required under this Section 4, the SC's collateral deposit shall not be less than [\$100,000]. Explore maximum owed balance as a replacement Check this with the Credit Liability group. If the RTO West formula for calculation of exposure is correct, why have a minimum at all?

¹ The addition of five days to the settlement periods specified here is intended to capture a reasonable amount of time to identify that there is a problem and to take steps to address it.

b. Form of Collateral Deposit

Collateral deposits shall be in the form of (1) cash deposits [**or cash equivalents**]; or (2) Letters of Credit, defined as irrevocable and renewable issued by a major financial institution acceptable to RTO West. **[Note: Payment in any other method than cash will mean a lag between the time Imbalance Energy arises and the time RTO West will have real access to the collateral.] [NOTE: Consider allowing assignment of physical assets for collateral provision. Researching how such assets would be accessed if needed. For example, would PUC have to get involved to actually sell them?]**

c. Collateral Deposit Payment Timetable

Credit Applicants are obligated to post collateral deposits with RTO West before entering into an SC Agreement. Collateral deposit increases and/or adjustments must be received within three (3) business days of a request from RTO West. Credit Applicants must replace or renew letters of credit not less than five (5) Business Days before expiration.

d. Interest on Cash Deposit

RTO West shall pay interest on cash collateral deposits. Interest shall be calculated according to the formula set forth in the RTO West tariff.

e. Collateral Adjustments

RTO West may review the Credit Applicant's creditworthiness, credit limits and RTO West's Credit Exposure on a daily basis according to the criteria described in this Section I, and may increase or decrease Credit Applicant's collateral requirements accordingly. All collateral adjustments shall be in increments of at least \$50,000, and the amount of collateral Credit Applicant is required to post shall be rounded up to the nearest multiple of \$50,000. Suggestion for credit liability group – delete this or use moderate number look at blocks letters of credit can be purchased in. RTO West shall return to Credit Applicant any excess collateral within three (3) business days of a written request for such return. If an SC notifies RTO West that is terminating its SC agreement as of a specific date, it may request return of its collateral once its financial obligations have been met.

5. RTO West Rights to Draw on Collateral

RTO West has the right to draw on Credit Applicant's collateral to satisfy overdue payment obligations of any SC for which the Credit Applicant has provided collateral at any time after RTO West has provided notice to the SC of amounts overdue and request for payment.

Whenever RTO West exercises its right under this Section I(C)5 to draw on a Credit Applicant's collateral, Credit Applicants shall, within three (3) Business Days of RTO West's action drawing on the collateral, provide additional or replacement collateral sufficient to make available to RTO West the full amount of collateral required from Credit Applicant in accordance with Section I(C)4 above.

[Note: If a period of time goes by during which RTO West does not draw on the collateral, is the party posting it required to establish credit according to the procedures set forth below so it can stop providing collateral, or should there be a more abbreviated procedure?]

6. Re-establishment of Credit

The Credit Applicant for an SC whose SC Agreement has been suspended due to inadequate credit may re-establish its creditworthiness in the manner prescribed in Section I(C)(1) or by the provision of a collateral deposit, or by other manner described in this Section I.

[NOTE: Add that you can get back to some level of unsecured credit after a double downgrade if you stabilize above the minimum credit rating – determine if this is still needed].

D. Additional Documents

The Credit Applicant shall execute and deliver all documents and instruments (including, without limitation, security agreements and RTO financing statements) reasonably required from time to time to implement the provisions set forth above and to perfect any security interest granted to RTO West.

E. Remedies Relating to Credit Requirements

If: (a) an SC's total liability to RTO West approaches the combined amount of the SC's unsecured credit limit and collateral deposit or the trend or recent events show that it is likely to occur; or (b) a Credit Applicant does not post collateral as required by RTO West in accordance with the terms of Section I(C)(4) above; or (c) an SC does not make timely payment of any amounts due to RTO West, RTO West will contact the SC to provide notification of the situation. RTO West and the SC will seek a remedy within three (3) Business Days. Upon the expiration of such three (3) Business Days RTO West may exercise the remedy or remedies of

its choice, which may include one or more of the following: (i) additional Collateral Deposit; (ii) interim payments of liabilities; (iii) adjustments to scheduling practices; (iv) disqualification as an SC; and (v) any other action RTO West deems appropriate. Any extension of such three-day period shall not constitute a waiver of RTO West's right to exercise any of the remedies set forth in this Section (I)(E), and any applicable credit charges will continue to accrue during RTO West's exercise of its remedial rights.

12. SCHEDULING COORDINATOR AGREEMENT

- a) In order to become RTO West-certified, each SC shall execute an SCA. RTO West shall provide the SCA on the RTO West Website.
- b) An SCA may be terminated by RTO West according to the provisions of Section I? Suspension or Termination of SC Rights and Privileges.
- c) Termination of the SCA shall not eliminate any financial obligations to RTO West incurred by the SC, or to the SC incurred by RTO West, prior to termination of the SCA.

NOTE: We need to add something here, when clarified, regarding the back-up Scheduling Coordinator concept and how that would be implemented. (Can also look at ERCOT section 16 registration and qualification of market participants – 16.2.12 –based on auctioning the right to pick up that SC responsibility, has 72 hour limit)

13. RTO WEST'S RIGHT TO AUDIT SCHEDULING COORDINATORS

Scheduling Coordinators shall keep detailed records for a period of three years of all activities under this Agreement giving rise to any information, statement, charge, payment or computation delivered to RTO West under the RTO West Tariff. Such records shall be retained and shall be available for audit or examination by RTO West as hereinafter provided. RTO West has the right during Business Hours (need to define term) and upon reasonable written notice and for reasonable cause to examine the records of Scheduling Coordinators as necessary to verify the accuracy of any such information, statement, charge, payment or computation made under this Agreement. If any such examination reveals any inaccuracy in any such information, statement, charge, payment or computation, the necessary adjustments in such information, statement, charge, payment, computation, or procedures used in supporting its ongoing accuracy with be promptly made.

14. SCHEDULING COORDINATOR'S RIGHT TO AUDIT RTO WEST

Scheduling Coordinator's right to data and audit of RTO West shall be as described in the RTO West Tariff and Protocols and shall not exceed the rights described in the RTO West Tariff and Protocols (need to define the audit requirements of RTO West somewhere in the tariff).

**SCHEDULE 1 TO SCHEDULING COORDINATOR APPLICATION
AND CERTIFICATION ATTACHMENT
SCHEDULING COORDINATOR CERTIFICATION
APPLICATION FORM**

This application is for approval as Scheduling Coordinator (“SC”) by the RTO West in accordance with the RTO West Tariff. All information presented on this form by an applicant for certification as a RTO West Scheduling Coordinator (“SC”) shall be accorded confidential treatment to the information supplied by the Applicant as required under the confidentiality sections of the RTO West Tariff. All information must be provided to the satisfaction of RTO West, along with an application fee of \$5,000, in order for the application to be considered complete.

A. Applicant Identification Information:

1. Legal Name of Applicant: _____

2. Business Address of Applicant: _____

3. Authorized Representative of Applicant:

a. Name of Representative: _____

b. Business Address of Representative: _____

c. Business Telephone Number of Representative: _____

d. Business Facsimile Telephone Number of Representative: _____

e. Business E-mail Address of Representative: _____

4. Type of Business Entity of Applicant (e.g., Municipality, Power Marketer, Investor-Owned Utility, Non-Utility Affiliated Generator, Distribution Cooperative, Federal or State Entity, Other - please describe):

5. If a Corporation or Partnership, State of Incorporation or Registration of Applicant: _____

B. Proposed Date for Commencement of SC Services: _____

C. Financial Capability:

The applicant has attached to this application, or shall supply to RTO West prior to certification, satisfactory evidence reflecting compliance with Section J.6 Financial Security Obligations and Requirements of this Attachment. The SC Applicant's credit rating is _____.

The SC Applicant (is/is not) requesting consideration for unsecured credit. If credit support is required, the SC Applicant will provide _____ (form of credit).

D. Fulfillment of Duties and Responsibilities:

1. The applicant certifies that it or its Scheduling Agent has either: a) installed and proven to be operational all computer hardware and software, communication equipment and software, and electronic funds transfer systems required for the tasks and functions that it proposes to fulfill, and for the services that it proposes to provide; or b) shall install prior to certification the materials and systems described in D.1.a above. The applicant further states that its equipment and facilities are, or shall be prior to certification, available for examination and inspection by RTO West. A list of hardware, software, communication equipment, and funds transfer systems is attached. In the event that these materials are not yet installed as of the date of this application, a plan and schedule for completion of installation are attached; and,

2. The applicant certifies that it employs on its own behalf, or has contracted with entities that employ, sufficient personnel who are fully qualified, competent, and

trained to perform the duties, responsibilities, tasks and functions required by the RTO West Tariff for SC certification. The SC agrees that the qualifications of personnel shall be available to RTO West for review; and,

3. If applicant has assigned or delegated any rights or obligations needed to perform its role as an SC, describe those assignments or delegations below, including the assignee and the specifics of the rights or obligations assigned: The single point of contact required by Section J.6 Scheduling Coordinator Operations, and responsible for operational communications with RTO West is (describe and include primary and back-up phone contact information):

Description:

Physical Address:

Primary Phone Number:

Backup Phone Number:

Fax Number:

Email Address:

E. Additional Obligations:

1. The applicant agrees to provide to RTO West through written notification as a supplement to this application, any and all changes in the information provided on this application form within three (3) Business Days of becoming aware of the change(s). The applicant shall notify RTO West of a change in Authorized Representative immediately; and,
2. The applicant certifies that all information it has provided on this application form is true and correct, to the best of its knowledge and belief.

Signature of Authorized Representative of Applicant

Date: _____

Name: _____

Representing Applicant: _____

**SCHEDULE 2 TO SCHEDULING COORDINATOR APPLICATION AND
CERTIFICATION ATTACHMENT**
SCHEDULING COORDINATOR SERVICE FILING FORM

This form shall be used by either an applicant or a Scheduling Coordinator ("SC") as provided in Section J.?, Submittal of Service Filings of this Attachment. All information presented on this form by an applicant or an SC shall be accorded confidential treatment to the information supplied by the Applicant as required under the confidentiality sections of the RTO West Tariff. All information must be provided to the satisfaction of RTO West in order for the form to be acceptable.

A. SC/Applicant Identification Information:

1. Legal Name of SC/Applicant: _____
2. SC Identification Number: _____
3. Business Address of SC/Applicant: _____

B. List of Loads (check term) Represented. In accordance with the Duties and Responsibilities of the SC contained in Section J.3 of this Attachment, list the Loads (check term) for which the SC will be providing scheduling and dispatch services (Need to add specifics of information required) (Must include Point of Delivery information, SC Customer and customer contact information, losses between meter and point of meter ID info as well as location information)

1. _____
2. _____
3. _____
- .
- .

n. _____.

C. List of Generating Units Represented:

In accordance with the Duties and Responsibilities of the SC contained in Section J.3 of this Attachment, list the Generating Units for which the SC will be providing scheduling and dispatch services: (need to add more specifics regarding information required here – must include meter information, generator description, generator contact information, generator nameplate, location, any kind of information needed for A/S file, and so on)

1. _____

2. _____

3. _____

.

.

n. _____.

D. Additional Obligations:

1. The SC/applicant certifies that its customer(s) are Eligible Customers as defined by the RTO West Tariff; and,
2. The SC/applicant certifies that its Eligible Customer(s) have granted it all necessary agency authority, whether actual, implied or inherent, to enable the SC/applicant to perform all of the tasks and functions required by the service to be provided; and,
4. The SC/applicant certifies that each Generator that it represents which is required to have a signed Generation Integration Agreement with RTO West has done so or is exempt pursuant to the RTO West Tariff (need appropriate reference; and,
5. The SC/applicant certifies that each Load that it represents which is required to have a signed Load Integration Agreement with RTO West has done so or is exempt

pursuant to the RTO West Tariff (need appropriate reference; check whether there is a load exemption concept applicable); and

- 5. The SC/applicant agrees that it has sole responsibility for settlement and billing for all payments and charges related to its transactions as a SC ; and,**
- 6. The SC/applicant certifies that all information it has provided on this service filing form is true and correct, to the best of its knowledge and belief.**

Signature of Authorized SC/Applicant Representative

Name: _____

Representing SC/Applicant: _____

Date: _____

**SCHEDULE 3 TO SCHEDULING COORDINATOR
APPLICATION AND CERTIFICATION ATTACHMENT
NOTICE OF CHANGE TO
SCHEDULING COORDINATOR INFORMATION FORM**

This form shall be used by the Scheduling Coordinator ("SC") to advise RTO West of changes to its certification application form pursuant to Section J.4.c Requirements for SC Certification of this Attachment. All information presented on this form by an SC shall be accorded confidential treatment to the information supplied by the Applicant as required under the confidentiality sections of the RTO West Tariff. RTO West will provide all information to the Paying Agent needed to carry out its responsibilities on a confidential basis. All information must be provided to the satisfaction of RTO West in order for the notice to be considered complete.

A. SC Identification Information:

1. Legal Name of SC: _____
2. SC Identification Number: _____
3. Business Address of SC: _____

B. Information to be Deleted, Added, or Changed:

Scheduling Coordinator Certification Application Form

- a. Section: _____
- b. Delete: _____
- c. Insert/Add: _____

I certify that the information contained herein is true and correct to the best of my knowledge and belief.

_____ Date: _____

Signature of Authorized Representative of SC

Name: _____

Representing SC: _____